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VARIAN MEDICAL SYSTEMS AND IMPAC MEDICAL SYSTEMS **ABANDON MERGER PLANS**

WASHINGTON, D.C. - Varian Medical Systems Inc. abandoned its attempt to purchase IMPAC Medical Systems. Yesterday, the Department's Antitrust Division announced its intent to block the transaction, saying it would reduce competition significantly in the sale of radiation oncology management systems software and medical devices known as linear accelerators sold in the United States.

"We welcome this decision to abandon the transaction," said A. Douglas Melamed, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "The merger would have led to higher prices, lower quality, and less innovation in radiation oncology management systems software and linear accelerators used to deliver radiation therapy to cancer patients. Hospitals and clinics and the cancer patients they treat are the winners and will continue to benefit from competition in these markets."

Linear accelerators are devices used to deliver high-energy radiation to shrink or destroy cancerous tumors within the body. Radiation oncology management systems software is used both to assist the operation of the linear accelerator in a safe and effective manner and to help hospitals and clinics more efficiently perform a variety of administrative and business functions, such as patient charting, scheduling, image management, and charging and billing. Use of this software is increasing, as hospitals and clinics offer their cancer patients more complex and advanced types of radiation therapy. These advances in radiation therapy reduce side effects, increase patients' chances for survival, and cannot be efficiently administered without such

software. Varian and IMPAC are the only providers of full-featured radiation oncology management systems software that supports the most advanced therapies.

Varian Medical Systems Inc. is a Delaware corporation with its principal place of business in Palo Alto, California. It produces radiation oncology management systems software and linear accelerators and is the leading provider of hardware and software products used to treat cancer patients with radiation therapy, as well as a producer of x-ray tubes and imaging products. The company had revenues totaling \$590 million in FY1999.

IMPAC Medical Systems Inc., a privately held company, is a California corporation with its principal place of business in Mountain View, California. It is the leading provider of radiation oncology management systems software, with FY1999 revenues of approximately \$21 million.

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